

**Idaho State Board of Education**  
**GOVERNING POLICIES AND PROCEDURES**  
**SECTION: V. FINANCIAL AFFAIRS**  
**Subsection: A. General Authority, Responsibilities, and Definitions**

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**A. General Authority, Responsibilities, and Definitions**

1. Scope of Section

With the exception of the State Department of Education, and unless otherwise noted, each institution, agency, and school under the governance of the State Board of Education and Board of Regents of the University of Idaho (hereinafter the “Board”) must conduct all of its financial and related affairs as provided in this section. The community colleges (NIC and CSI), Idaho State Historical Society, and Idaho Commission for Libraries are included only as specified. The policies and procedures outlined here are to complement and not to supplant the Office of the State Controller’s user manual.

2. General Policy

It is the policy of the State Board of Education and Board of Regents of the University of Idaho to cooperate fully in fiscal matters with the Idaho Legislature, the Office of the Governor, Office of the State Controller, the State Board of Examiners, and the Division of Financial Management.

The Board also has specific constitutional status and powers as the Board of Regents of the University of Idaho, which it has a legal duty to maintain in its governance of the University of Idaho. (See Article IX, Section 10, Idaho Constitution; Standard Appropriations Act of 1945, Section 67-3601 *et seq.*, Idaho Code; Sections 67-3516 and 67-3523, Idaho Code, Sections 67-3511 and 67-3512, Idaho Code, and Chapters 10 and 11, Title 67, Idaho Code.)

3. Definitions

For the purposes of this section, the following definitions apply:

a. Account

An account is a financial record into which are posted all transactions relating to the specific asset, liability, fund balance, revenue, expenditure, or budgetary item identified in the account title.

b. Allotment

An allotment is a plan for expenditure of appropriated funds during a fiscal year which is required by and subject to the approval by the Division of Financial Management and the State Board of Examiners.

c. Appropriation

An appropriation is an authorization to expend funds granted by a legislative body. Funds may be appropriated in a lump sum, by program, by fund, or by standard class. An

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appropriation is limited in amount and lapses after a specified time period (usually a fiscal year).

d. Encumbrances

Encumbrances are obligations in the form of purchase orders or requisitions, contracts, or salary commitments which are chargeable to an appropriation and for which a part of the appropriation is reserved. They cease to be encumbrances when the obligation is paid, and thus expensed or otherwise removed.

e. Expenses

Expenses are obligations incurred and paid for operation, maintenance, interest, and other charges against current fiscal year appropriations.

f. Fiscal Year

A fiscal year is an accounting period, usually of twelve (12) months' duration, which may begin and end other than with the calendar year. The state of Idaho fiscal year begins July 1 of each calendar year and ends June 30 of the following year.

g. Fund

A fund is a separate fiscal and accounting entity with a self-balancing set of accounts recording cash or other resources together with all related liabilities, obligations, reserves, and equities which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

h. Miscellaneous Receipts

Miscellaneous receipts are revenues accruing to the institutions, school or agencies that are:

(1) In addition to State General Account appropriations, and

(2) Designated by the Board to be included as part of the total spending authority for each institution, school or agency. All such receipts are to be reported either in the Unrestricted Current Fund (0650-00) or in the Restricted Current Fund 0660-00 (college and universities only).

(a) Included in the Unrestricted Current Fund are revenues from such sources as nonresident tuition, graduate student fees, and general education fees.

(b) Included in the Restricted Current Fund are revenues from the matriculation and Professional Technical Education fees. Expenditures from this account may be made only for non-instructional activities of the institution which include

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maintenance and operation of the physical plant, student services and institutional support.

- (c) Typically not included as miscellaneous receipts are such revenues as fees and charges made by auxiliary services and local services, gifts, grants, contracts, agency funds, and miscellaneous fees and income dedicated by the Board for specific purposes.

**4. Fiscal Identification Codes**

For fiscal purposes, each institution, school and agency is identified by a numerical agency code issued by the Office of the State Controller. There is also maintained a more detailed set of codes for each institution, school and agency which must be used on all financial transactions. The code numbers and the detailed code identifiers may be changed only with prior approval by the Executive Director of the State Board of Education (hereinafter the "Executive Director") or his or her official designee. (Any such change for the State Department of Education is approved instead by the State Superintendent of Public Instruction or his or her official designee.)

**5. General Financial Responsibilities of the Office of the State Board of Education - Statutory Authority**

In accordance with Section 33-102A, Idaho Code, the Board vests its fiscal responsibilities in the Office of the State Board of Education (hereinafter the "office") for purposes of coordinating fiscal activities and implementing this section and other fiscal policies and procedures approved by the Board.

**a. Coordination and Data Collection**

The office functions in a coordinating and data-collecting capacity. It has primary responsibility for developing budgetary and fiscal information the Board may use to set policies as well as providing recommendations for Board consideration. The office will, whenever possible, consult with and solicit comments and recommendations from the institutions, school and agencies affected.

**b. Provision of Budgetary Information to the Division of Financial Management and the Legislative Services Office – Budget and Policy Analysis.**

- (1) The office is generally responsible for providing budgetary information at the request of the Board, the Division of Financial Management, or the Legislative Services Office – Budget and Policy Analysis.
- (2) The office, when relying upon institution, school and agency personnel for such data, designates the appropriate format for reporting such information.
- (3) When the Division of Financial Management, the Legislative Services Office – Budget and Policy Analysis, or an individual legislator or legislative committee

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makes a request for information from an institution, school or agency, a copy of the institution, school or agency's response must be provided to the office.

c. Institution, School and Agency Management Prerogatives

A responsibility of the office is to assure the Board that its policies and procedures are being properly implemented by the institutions, agencies and school. However, in performing this responsibility, the office should not intervene directly in the internal institution, school or agency management responsibilities.

d. Assistance and Counsel

The office provides assistance and counsel on fiscal matters to institutions, agencies and the school as necessary or when such assistance and counsel is requested.

6. Responsibility for Implementation of Board Financial Decisions

The chief executive officer of each institution, school and agency (hereinafter the "chief executive officer") is responsible for establishing and administering detailed procedures for implementation of Board financial decisions, allocations, policies, and procedures.